Supply of underweight gas cylinder

3057. SHRI VARINDER SINGH BAJWA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that in winter when there is shortage of supply of cooking gas, the agencies indulge in various irregularities, particularly supply under-weight refills;

(b) whether it is a fact that gas companies do not check such malpractices;

(c) if so, the reasons therefor;

(d) whether any surprise checks have been conducted during 2007 and 2008 to check irregularities by gas agencies, particularly in metropolitan and other big cities; and

(e) if so, the details thereof, city-wise and the action taken against the defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (e) No, Sir, Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is not overall shortage of LPG in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors.

However, OMCs had reported backlog in LPG supplies in certain States in the country, due to a combination of factors *viz.*, reduction in supply of bulk LPG compared to the target by Reliance Industries Limited (RIL) & Essar Oil Limited in January-February, 2008, delay in movement of bulk LPG by rail from Jamnagar to the Northern Region, increased demand in the States due to severe cold which resulted in panic booking by the customers, strikes by contract labour, agitational activities, delays in berthing of vessels at Haldia Port due to reduced draft, bandhs etc.

Government had advised OMCs to liquidate the backlog in the country by operating the bottling plants on holidays and during extended hours. Increased bottling is also during the working days for early clearance of backlog.

At present, OMCs have not reported any backlog in supply of LPG in the country. OMCs are monitoring the situation on a day-to-day basis and corrective actions being taken wherever required.

The possibility of diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

Public Sector Oil Marketing Companies (OMCs) have reported that based on the established complaints of supply of underweight cylinders/pilfering product by LPG distributors, action has been taken in 29 cases during 2006-07 and 55 cases in April, 2007-February, 2008 as per provisions of Marketing Discipline Guidelines (MDG)/Distributorship Agreements.

OMCs have further reported that they have terminated 38 LPG distributorships during the period April, 2005 to February, 2008. The City-wise details of action taken against the defaulters is available with the Directors (Marketing) of the concerned OMCs.

Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor (s) in accordance with the provisions of the MDG. MDG provides for following action against the distributors:—

— Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

— Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.

— Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Government are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against blackmarketing of domestic LPG. Similarly, the Weights and Measures Departments of the States/UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the black-marketing of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public is also sought to report any irregularity/ malpractice to the OMCs.

The officials of OMCs carry out checks at distributor's godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified and shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced free of charge by the OMCs.

Use of domestic LPG cylinders for commercial purpose

3058. SHRI VARINDER SINGH BAJWA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the practice of diverting LPG cylinders for domestic consumption to commercial use continues in the country unabated, particularly in big cities;

(b) if so, the number of such cases detected in big cities during 2007, city-wise; and

(c) the action taken against the gas agencies and the delivery personnel involved in this malpractice?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The possibility of diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

(b) During the year 2007, Public Sector Oil Marketing Companies (OMCs) have detected 373 cases of diversion of domestic LPG cylinders in the country. The city-wise details are available with the Directors (Marketing) of the concerned OMCs.

(c) Action against the erring distributors was taken as per provisions of Marketing Guidelines (MDG)/Distributorship Agreements (DA) by the OMCs.